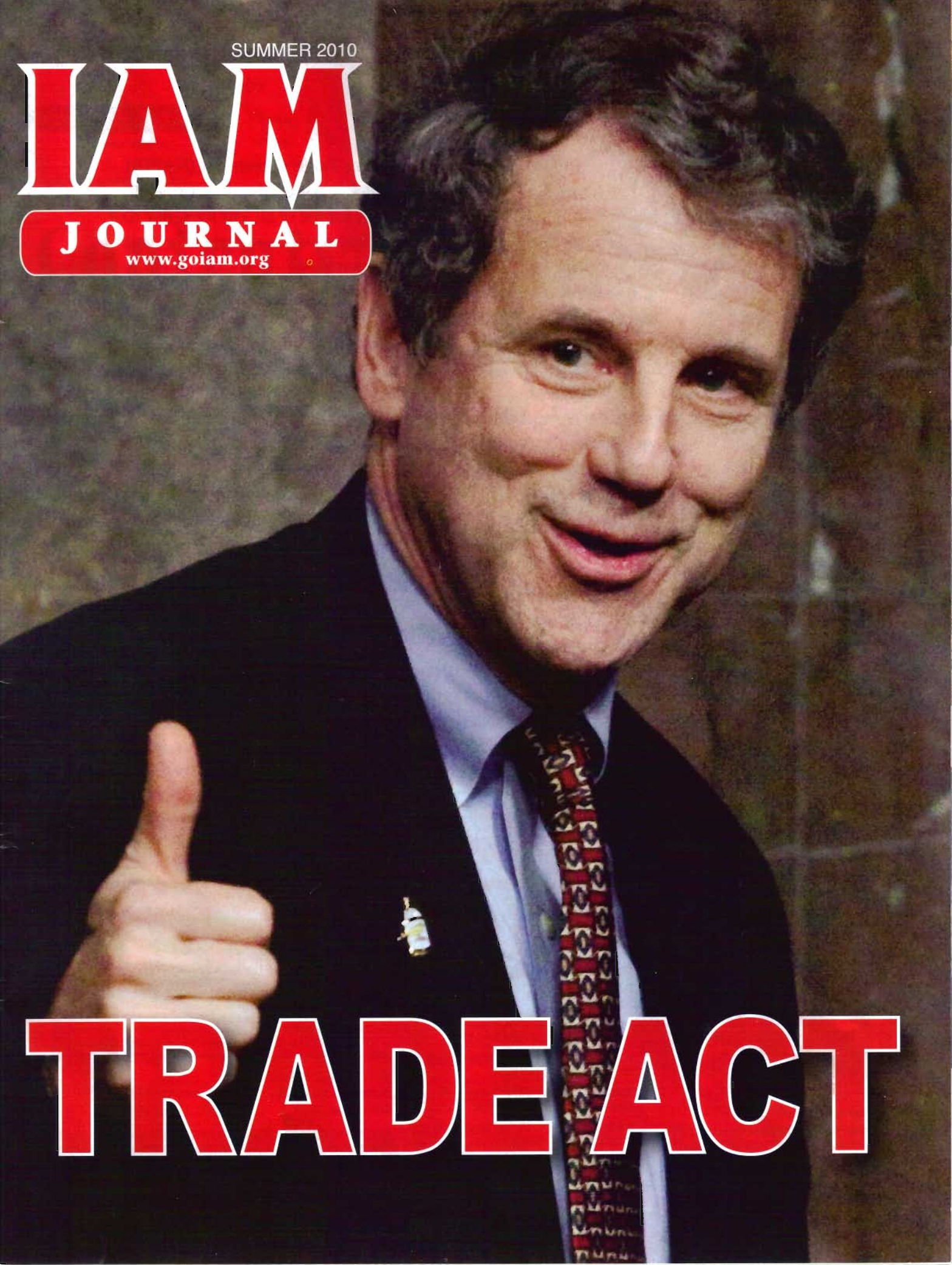


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TRADE ACT

TRADE ACT

A New Blueprint for JOBS

November 29, 1993 was the date. The headline in *Newsweek* magazine read: NAFTA: More Winners Than Losers.

The North American Free Trade Agreement, NAFTA, had just received the Congressional stamp of

approval nine days prior. President Bill Clinton was due to sign the legislation a little over a week later.

“Passage of NAFTA became only slightly less momentous than the enactment of the New Deal,” the *Newsweek* arti-

cle said. “Most Americans won’t notice the difference ... Still, there were some clear losers and winners...”

The author proceeds with a scorecard.

The losers: Unions.

“Union leaders tried to argue that free trade is the source of all lost jobs. But that is largely a blue-collar myth,” wrote *Newsweek*.

The winners: Business, free trade and jobs, according to the article.

NAFTA’s Empty Promises

“Supporters said it would bring faster growth and high-paying jobs,” recalls IAM International President Tom Buffenbarger of the contentious debate leading up to NAFTA’s passage in the early 90s. “It was touted as the key to raising North American living standards.

IAM members protest outsourcing aerospace jobs in front of United Technologies’ corporate headquarters in Hartford, CT. Aerospace workers not only face the export of their jobs, but the giving away of their manufacturing expertise through offset agreements.



Bill Burke, Page One Photography

The IAM has always been at the forefront of efforts to stop trade agreements, like NAFTA, that favor corporations over workers. A new model for trade called the TRADE Act, if passed, will require an overhaul of existing trade deals to save jobs and institute new standards to protect workers and communities in future agreements.

So-called 'free-trade' policies like NAFTA were supposed to be a win-win for everyone: The environment, immigration, U.S. workers, Mexico and Canada alike.

"We told them then that they were wrong," says Buffenbarger, "that passage would lead to massive job losses, downward pressure on wages and benefits, and further erosion of workers' rights. But our strenuous protests were dismissed as protectionism. Now here we are, 16 years later, and the American economy has shed millions of jobs."

First enacted on January 1, 1994, NAFTA's supporters

"Instead of creating more jobs here at home, multinational corporations have shifted production to Mexico where wages are low, worker rights are nearly nonexistent and little regard is paid to the environment."

Tom Buffenbarger
IAM International President

promised it would promote growth by making it easier to move goods and services

between the U.S., Canada and Mexico. They argued the pact would, among other things, improve the environment, reduce illegal immigration through higher Mexican wages, while at the same time provide Americans and Canadians better jobs and economic security.

But the end result has been quite the opposite. "NAFTA, along with several other similar trade deals, has succeeded in creating the worst polarization of wealth since the 1920s," says Buffenbarger. "Instead of creating more jobs here at home, multinational corpora-



Susana Gonzales/Bloomberg via Getty Images

Since NAFTA's passage, hundreds of North American factories that once produced iconic brands of cars, appliances, televisions, vacuum cleaners and other products have closed and the jobs shipped to Mexico and China. Ford's \$1 billion remodelled plant in Mexico will produce its Fiesta model.

tions have shifted production to Mexico where wages are low, worker rights are nearly nonexistent and there is little regard for the environment."

Wrong Blueprint

Experts argue that the U.S. has lost as many as a million jobs since NAFTA's inception. NAFTA became the blueprint for other trade laws, such as the Central America Free Trade Agreement (CAFTA) and pending agreements with Korea, Panama and Colombia that have already done, or threaten to do, their share. Failed economic policies, including a high value of the U.S. dollar and tax breaks for companies to ship production overseas, have also contributed.

"What the trade agreements fundamentally have done is shifted power from democratic governments to corporations," says U.S. Sen. Sherrod Brown (D-OH), a

close friend of labor and a key Congressional player in trade reform.

The Machinists Union witnessed this acceleration of U.S. jobs out of North America firsthand. What started as a few companies moving part of their operations to Mexico turned into a tidal wave of jobs moving south, leaving

devastated communities in the U.S. and Canada behind.

American Icons

Former icons of American manufacturing in appliances, cars, electronics and aerospace moved south. Early on it was television-maker Zenith, then Eureka vacuums packed up. In 2004, Maytag shut down its Galesburg, IL, refrigerator factory, laid off 1,600 workers, and moved the work to Reynosa, Mexico.

Approximately 250 good-paying, high-skilled aerospace jobs at Hawker Beechcraft in Salina, KS, are making their way to Mexico, joining Bombardier and Triumph Composite Systems. And, Whirlpool is doing the same to more than one thousand workers in Evansville, IN.

Free trade supporters argued the jobs going south were largely unskilled jobs that weren't really important



IAM President Tom Buffenbarger leads a delegation to the Maytag shareholders' meeting to protest the closing of U.S. facilities and moving the work to Mexico. Whirlpool acquired Maytag in 2006 and has continued closing U.S. plants.



In Iowa in 2004, IAM members and others signed a rolling “George W. Bush Wall of Shame” to call national attention to the workers whose plants were closed, leaving hard-hit families and communities behind.

in a high-tech economy. But soon, the fastest growing sector for jobs going offshore spread to high-skilled manufacturing, sophisticated electronics and the computer industries.

Those are just a few examples. If you need more, all you have to do is look around. “We have today an historic economic crisis with a soaring unemployment rate. The historic loss of good jobs is made worse because of our hollowed-out manufacturing sector and bad trade policies. The dream of a middle-class life is slipping further away for more and more North Americans,” says Buffenbarger.

But Mexico is not the only country coveting American jobs, wreaking havoc on the U.S. economy and lowering

the quality of life of so many Americans, explains IAM Trade and Globalization Director Owen Herrnstadt. In fact, it represents only a fraction.

Growth of China

A far more serious threat lies just across the Pacific, where the rules of trade are even more skewed, less enforced and government transparency is taboo. That menacing threat to fair globalization: China.

“Everybody’s losing work to China,” says Herrnstadt. “It’s a major concern everywhere, not just in the U.S. and Canada.”

The Economic Policy Institute estimates as many as 2.4 million U.S. jobs have been lost to China between 2001 and 2008 alone. Researchers

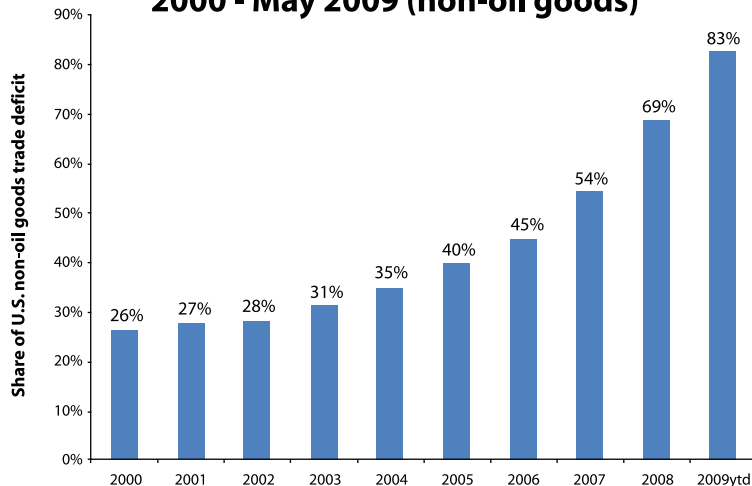
say, during that same seven-year period, the U.S. trade deficit with China increased by \$186 billion. In 2009, China was responsible for more than 80 percent of the United States’ total, non-oil trade deficit.

China’s domination of world trade accelerated in 2000 when Congress ended the annual review of China’s human rights record and granted permanent normal trade relations status (PNTR). This paved the way for China’s entrance into the World Trade Organization in 2001.

Unfair Advantages

Experts say China has created an unfair trade advantage for themselves through the manipulation of its currency, cheap labor and government

China's growing share of U.S. trade deficit, 2000 - May 2009 (non-oil goods)



Source: U.S. International Trade Commission and Economic Policy Institute.

China has grabbed so much market share that the U.S. trade deficit with China has grown by more than \$186 billion and now accounts for more than 80 percent of the total U.S. trade deficit.

subsidies for its industries. All of which could be challenged under international trade rules, says Herrnstadt.

“The Chinese currency is roughly anywhere between 20 and 40 percent lower in value than it should be,” explains Herrnstadt. “They’re making certain that suppliers invest primarily in China because companies can get the goods made more cheaply than they can in the U.S.”

Economists across the political spectrum agree that China is actively manipulating its currency. But whether the Chinese government has been covertly subsidizing its own businesses has been harder to prove.

According to the World Trade Organization (WTO), the U.S. Trade Representative (USTR) in 2008 noted in a

series of questions that China approved the creation of the Commercial Aircraft Corporation of China Ltd., a state-owned enterprise, to develop China’s first large commercial aircraft by 2014. China is on a quest to develop



AP/World Wide Photo

China's currency manipulation allows their goods to be sold at artificially low prices on the world market.

an aircraft that will compete with Airbus and Boeing. According to the USTR, that enterprise received \$2 billion in government funding in 2009 for the development of a 70-90 passenger regional jet.

Also in 2009, the USTR noted the state-owned China Aviation Industry Corporation secured a pledge of up to \$25.7 billion in domestic bank loans, including loans from state-owned commercial banks, to finance the development of helicopters, engines, cargo and passenger aircraft.

“If that isn’t a subsidy, I don’t know what is,” says Herrnstadt.

Cheap Labor

“The net result of all China’s cheating is the loss of American jobs,” says Buffenbarger. “As their goods continue to flood our markets, millions of U.S. jobs are being destroyed. Until the U.S. musters up the political will to address China’s illegal trade dealings, Americans will continue to suffer. And, our economic recovery will continue to be a long way off.”

But while NAFTA, other poor trade deals, and China’s scams have done their share of exacerbating the U.S. economic crisis, the driving force behind America’s loss and other countries’ gain is, undoubtedly, cheap labor.



China's development is growing from manufacturing basic consumer goods to challenging developed nations in high-tech aerospace manufacturing, including military and civilian aircraft development and a space program.

"I've walked among the workers in the maquiladoras in Mexico. I've seen the cardboard shacks where families live with no running water, no electricity and no solid roof over their heads," says Buffenbarger. "I've been shaken by the reality that the families in these desperate situations include workers from some of the most modern facilities owned by some of the world's biggest companies. And the exploitation of workers there has increased since NAFTA."

For years, the IAM has maintained that the U.S. must take into consideration the treatment of workers in countries wishing to enter into a trade agreement with the United States. The IAM has argued the need for foreign work-

ers to be able to exercise their fundamental right to associate and engage in collective bargaining for fair wages, benefits and a better quality of life.

New Standards

"The old argument was



Free trade supporters claimed NAFTA would raise living standards in Mexico, the U.S. and Canada. Instead, Mexican workers still live in poverty and communities in North America are devastated as plants close and jobs move away.

that labor standards are only social standards and not relevant for a trade agreement," explains Herrnstadt of the pushback the IAM received from pro-NAFTA policymakers. "We argued against that position. We maintained that human rights, which include labor standards, are every bit as much economic issues as they are social issues.

"If something is priced less because it's obtained by slave labor, it would be an economic decision for a company to move that work to that country where they can exploit those workers."

In China, three decades of startling growth have also come at the expense of workers. And child labor has always been a concern. A 2007 report by the China Labour Bulletin says that child labor is particularly in demand because children



Abuses of Chinese workers are widespread. Eleven workers at China's largest electronics exporter, Foxconn, were driven to suicide, sparking widespread protests.

AP/World Wide Photo

have smaller hands and sharper eyes.

More recent headlines point to 11 workers who committed suicide at Foxconn, China's biggest exporter and the world's largest contract manufacturer of electronics products for companies like Apple, Dell, Sony and Hewlett-Packard.

Voice of America reports that "widespread media reports in southern China say Foxconn, like many factories, imposed tough efficiency and production standards on its

workers, including silence at workstations."

The company responded to the media backlash by nearly doubling workers' salaries. But even then, salaries were woefully low. Chinese labor experts also warn that may not be enough. They say the damage and emotional scars endured by China's factory workers has already been done.

Colombia continues to be the most dangerous place in the world to be a trade unionist, with 48 trade

unionists assassinated in 2009 alone. More than 2,800 unionists have been murdered there since 1986.

Notwithstanding some recent prosecutions, immunity for the people responsible for these crimes remains widespread.

ILO Conventions

The International Labor Organization (ILO), a specialized agency of the United Nations that deals with labor issues, recognizes a series of international labor standards known as conventions. The standards cover a wide range of issues, from freedom of association (C87) and the right to organize and collectively bargain (C98), to health and safety at work, working conditions, night work, discrimination, child labor and forced labor.

"The problem for us," says Herrstadt, "is how strong are those labor standards? How are they defined? And what commitment do other countries have in enforcing them?"

"A world trade policy

IAM Trade and Globalization Director Owen Herrstadt, left, testified for manufacturing jobs before a House subcommittee. The Trade and Globalization Department is one of many at IAM Headquarters fighting for better trade laws and protections for workers.



Photo by Kaveh Sardari

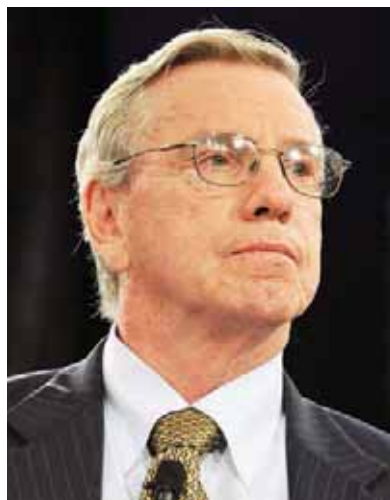
that will lift workers in Colombia is a trade policy that will also raise standards of living in the U.S. and Canada,” explains Buffenbarger. “A universal prohibition on child labor can only make the world’s working families and their communities stronger. And, imprisoning any worker for trying to exercise their fundamental human rights will ultimately result in the imprisonment of workers everywhere. Congress must take the lead in reforming our flawed international trade and investment policies.”

We Can Fix It

Clyde Prestowitz, president of the Economic Strategy Institute and author of “The Betrayal of American Prosperity,” offers a new perspective. Prestowitz, a former member of the Reagan administration, played a key role in the passage of NAFTA in the early 90s and provided the intellectual basis for current trade policies with China, Japan and Korea.

While he still supports NAFTA and other similar trade deals, Prestowitz admits mistakes were made

The International Labor Organization (ILO) sets standards for fair treatment of workers. The IAM and other groups have called for adoption of ILO core labor standards with strong enforcement mechanisms in trade agreements to halt the worldwide race to the bottom.



Clyde Prestowitz

Mychele Daniiau/AFP/Getty Images

along the way and there are some much-needed changes. “The U.S. is economically suffering a major defeat,” he says. “We’re falling behind both Asia and Europe, industrially and technologically. We are having difficulty creating good jobs. This will continue as long we’re on the track we’re on. Our leadership elite – in the universities, the media, government, business – have embraced

false doctrines. As a result of having embraced these false doctrines, our economy is on a path to impoverishment and our middle class is on a path to extinction.

“But it wouldn’t be hard to fix this. We know how. We know how to develop industries, how to become a leader in high technology. We need to re-read our history and dramatically shift our course,” says Prestowitz.

TRADE Act

Congress is finally getting the message. U.S. Senator Sherrod Brown (D-OH) is leading the effort for trade reform in the Senate. With Representative Mike Michaud (D-ME) in the House, Brown is pushing for the passage of the Trade Reform, Accountability, Development and Employment (TRADE) Act in Congress.

The TRADE Act requires a



Fabrice Coffrini/AFP/Getty Images

review of all existing trade agreements to determine their direct impact on domestic jobs and the U.S. economy, and a renegotiation of those agreements based on that review. It sets terms of what must and must not be included in future trade agreements, and it expresses that the role of Congress in trade policymaking should be strengthened.

Brown says the goal is to create a level playing field. "Fair trade – not free trade – is the theme of the TRADE Act," he says. "Free trade creates unemployment. Fair trade creates prosperity."

"I want us to buy things from other countries. I want them to buy things from us. Trade makes everybody wealthier – if it's done right."

The bill includes explicit reference to ILO conventions



Bill Burke, Page One Photography

As Senator from Ohio, a state with one of the highest number of jobs lost from unfair trade, Sherrod Brown has championed the TRADE Act in the Senate. "Fair trade, not free trade, is the theme of the TRADE Act," says Brown. "Free trade creates unemployment. Fair trade creates prosperity."

and mechanisms for enforcing those international labor standards. The TRADE Act also curtails a company's ability to sue a country over that country's trade policy.

Trade Pact Review

In addition to the renegotiation of NAFTA and similar trade deals, the IAM demands the end of pending agreements with Korea, Panama and Colombia.

"With the U.S. auto industry on life support, the last thing Congress should do is approve an unbalanced trade agreement that makes it easier for Korea to export Korean-made vehicles to the U.S., but doesn't make it easier for the U.S. to export U.S.-made vehicles to Korea," asserts Buffenbarger. "Panama remains an off-

shore tax haven for U.S. and foreign corporations. And no trade agreement should be considered with Colombia until the Colombian government adequately addresses atrocious labor and human rights violations and effectively enforces labor laws that comply with ILO conventions."

In terms of China's currency manipulation, experts say the preferred solution is a negotiated realignment of exchange rates that begins to smoothly unwind the existing trade imbalance.

If the political will to initiate such negotiations does not exist, the IAM supports the Currency Reform for Fair Trade Act of 2007 (HR 2942) and the Fair Currency Act of 2007 (S 796), which would empower the International



Photo by Scott J. Ferrell/Congressional Quarterly/Getty Images

Representative Michael Michaud (D-ME) has led the effort to revamp failed trade policies that are making jobs our biggest export. Michaud is the primary author of the House version of the TRADE Act.

Trade Commission (ITC) to impose countervailing duties in the case of currency manipulation.

Industrial Policy

Lastly, the IAM maintains that sound trade laws must be accompanied by a sound national industrial policy.

“Much of the current decline in jobs and the U.S. economy can be attributed to decades of failed policies that have governed the U.S. manufacturing sector,” says Buffenbarger. “Congress must craft a comprehensive national industrial policy in order to reverse the mistakes of the past, restore the production of American-made goods, get Americans back to work, jumpstart our economy and secure economic prosperity for our nation’s future.”

“Our country does not have a manufacturing policy,” declares Senator Brown. “We practice trade and tax law – and frankly, not in our national interest. Machinists, steelworkers, electrical workers and autoworkers continue to lose jobs because of tax policy and trade policy.”

To maintain our manufacturing capability and the millions of jobs that go with it, says Buffenbarger, America and Canada must buy their own products. “Buy American” and “Buy Canadian” legislation must be a part of a strong industrial policy.

End Outsourcing

Policy changes to discourage outsourcing are also a prerequisite. “Allowing U.S. companies to receive tax benefits for sending jobs overseas at a time when over 31 million Americans are either unemployed or underemployed because they can’t find full-time work is unacceptable,” says Buffenbarger.

As Vice President of the International Metalworkers’ Federation, a global federation of trade unionists, Buffenbarger has teamed up with other international organizations to ensure those groups are pushing their governments for the same reforms.

The goal, he says, is to develop a system where

everyone benefits.

“What we want is economic equality,” says Buffenbarger, “a system where jobs, fairness and workers matter more, and corporate policy matters less.”

“That’s the key to raising living standards. That’s the real win-win.”

Help Pass The TRADE Act

Help stop the global race to the bottom for workers. Tell Congress to pass the TRADE Act which mandates a review of all existing trade agreements and ensures that strong worker protections are part of any revised or new trade pact.

Go to the “IAM Activist Center” at www.goiam.org

and click

“Tell Congress to Pass the TRADE Act”

or call your Senators and Representative:
202-224-3121



From fighting against NAFTA's passage in 1993 to advocating for passage of today's TRADE Act, the IAM has fought for fair trade agreements that raise the standard of living for all workers.



R. Thomas Buffenbarger
International President

Commentary

The TRADE Act

When the North American Free Trade Agreement (NAFTA) was passed in late 1993, *Newsweek* reported that “union leaders tried to argue that free trade is the source of all lost jobs. But that is largely a blue-collar myth.” Nearly seventeen years later, that “blue-collar myth” is an American reality.

Look around your hometown. Count the number of closed plants. Remember the packed parking lots that now stand empty. And then tell me job-killing free trade deals are a blue-collar myth. Back in 1993, I called it the “North American Fraud & Theft Agreement.” I stand by that statement.

History proved that a massive fraud was perpetrated on the American people. Jobs were not created, but destroyed. Standards of living did not rise, only declined. And workers’ rights were trashed, not enforced.

Instead, we saw the theft – yes, the outright theft – of trillions of dollars worth of assets, assets accumulated over generations. Plants, equipment and production processes were packed up and shipped away. Taxpayer investments in roads, bridges and infrastructure; taxpayer-funded incentives for relocation and property-tax abatements, not to mention the billions sunk into education and skill development; workers’ contributions into pension plans – all were effectively stolen from us.

The past, however, is not prologue. The Trade Reform, Accountability, Development and Employment (TRADE) Act detailed in this issue of the *IAM Journal* is the work of United States Senator Sherrod Brown (D-Ohio) and Congressman Mike Michaud (D-Maine). Their bill offers us a real chance to reform our egregiously bad trade deals and to prevent future NAFTAs from sailing through Congress.

I urge each member of the IAM to actively support this fair-trade initiative.

Tom

IAM JOURNAL



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IAM Honors Fallen Members

Among the names added to the IAM Workers' Memorial this year was New York Local 447 member Joshua Gonzalez, 20, who was killed in an auto accident. Gonzalez was working in an IAM diesel technician apprenticeship program that his mother credits with turning her son's life around.

A troubled youth growing up in New Jersey, Joshua found mentors and structure in the apprentice program. "It was great seeing my son excited when he came home, telling me about when he learned something new or was told he did a job well," said Norma Eneri Gonzalez-Castillo. "At the age of 20, he had his own apartment, his own car and was learning to budget and set achievable goals. He was becoming a man and I was very proud of him."

Twenty-two bricks were added this year to the IAM Workers' Memorial, where more than 260 members who lost their lives to work-related injuries and illnesses are forever remembered.



Family members honor Local 447 member Joshua Gonzalez. From left, Norma E. Gonzalez-Castillo, Ray Castillo and Edwin Morales.



Bill Burke, Page One Photography

John Piltzcker, left, of the National Park Service and Vietnam Veterans Memorial Fund President Jan Scruggs, right, present IAM President Tom Buffenbarger with a ceremonial shovel to commemorate the Machinists Union's help to maintain the Vietnam Veterans Memorial in Washington, D.C.

Machinists Pay Tribute to Vietnam Veterans

Thousands of IAM members are proud veterans and many also serve in civilian roles to keep the U.S. military strong. So it was a natural partnership when the IAM pledged a donation to the Vietnam Veterans Memorial Fund (VVMF) to help with the upkeep of the iconic Vietnam Veterans Memorial on the National Mall in Washington, D.C.

The privately-funded memorial is dedicated to all who served in the U.S. armed forces in Vietnam. It encompasses 13.5 acres where names of the more than

58,000 who perished in the conflict are inscribed on a massive granite wall.

"The IAM and the Vietnam Veterans Memorial Fund have enjoyed a partnership formed around our mutual respect for the men and women who serve in America's armed forces," said International President Tom Buffenbarger. "We are proud of our many members who have served, not only in Vietnam, but in all conflicts since our union was founded in 1888. We thank them for their courage, strength and dedication."



Transportation GVP Robert Roach, Jr., presents CBTU President Bill Lucy, center, and actor and political activist Danny Glover, left, with IAM "Union Strong" shirts during the 39th International Convention of the Coalition of Black Trade Unionists.

CBTU Delegates Support IAM-Delta Campaign

In a highly visual display of solidarity with Machinists fighting to win representation rights for workers at Delta Air Lines, more than 1,000 delegates and guests in Detroit, MI, for the 39th International Convention of the Coalition

of Black Trade Unionists (CBTU) returned home wearing the bright blue shirts that are a signature of the IAM campaign.

"This campaign is not only for the workers at Delta, but for the very future of labor

unions in the airline industry," said Transportation GVP Robert Roach, Jr., who urged the CBTU delegates to talk with workers at Delta and to explain the benefits of union representation. "Delta will spend millions in an effort to frighten and intimidate workers, but they can't beat face-to-face common sense."

Among the special guests at the CBTU Convention were Mississippi Democratic Congressman Bennie Thompson and actor and political activist Danny Glover, who both expressed support for the IAM organizing campaign at Delta.

Minnesota Members Aid Gulf Cleanup

They may be in Minnesota, but the members of Winona Chain Makers Lodge 1030 are playing a key role in cleanup efforts of the Gulf oil spill. The 190 members at Peerless Chain have put it in high gear to deliver one million feet of chain, roughly 190 miles, for the "booms" used to contain the massive spill. The chain holds the booms in place during the cleanup operations.

"Our members have

stepped up to the plate and worked additional hours to help get the job done. They understand the vital importance of protecting our environment," said District 66 Directing Business Representative Rick Mickschl.

The IAM members at Peerless Chain work in assembly, production and maintenance. Peerless Chain makes all types and sizes of industrial chain.



Local 1030 member Brian Hanson and his co-workers at Peerless Chain in Winona, MN, are making more than one million feet of chain for the "booms" used to contain the oil spill in the Gulf of Mexico.

Delta-Northwest Merger Sets Stage for Industry's Future

The merger between Delta Air Lines and Northwest Airlines is setting the stage for additional airline pairings and a series of union representation battles that will determine if workers have secure wages and benefits, or terms that can change at any time, with or without notice.

Delta Air Lines indicated its attitude toward employee rights when CEO Richard Anderson urged Delta employees to contact the local police if they were approached by union representatives outside the workplace.

In a recorded message, Anderson claimed IAM organizers were frightening workers, spouses and their children, and

in some cases, blocking their driveways and preventing them from leaving their homes.

The IAM immediately demanded to see any evidence to support the charges. No such evidence was produced and the home-visit program continued.

Positive Response

Contrary to the negative stereotypes Anderson's message suggested, IAM organizers reported an overwhelmingly positive response from employees anxious for an opportunity to ask questions about the benefits of union representation.

"Delta supervisors closely monitor employees in the workplace and will question any

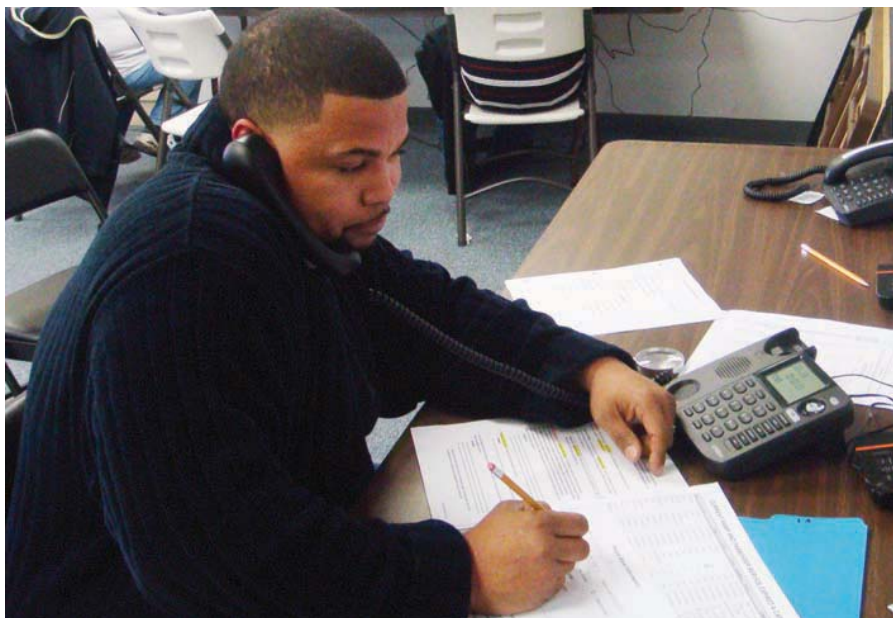
employee seen talking to union organizers," said Grand Lodge Representative Tony Klinakis, who spoke with dozens of Delta workers in their homes. "The atmosphere at work is unmistakably hostile, and the workers I met with welcomed the opportunity to speak freely."

Delta has a long history of opposing union organizing drives and frequently boasts that its employees are part of a "Delta Family," where there is no need for contracts or union representation.

"Like many corporations, Delta would like to cling to an image of itself that simply no longer exists," said Transportation General Vice President Robert Roach, Jr. "This is a ruthlessly competitive industry that has stripped tens of thousands of employees of their jobs, pensions and health care benefits. Every carrier is involved and every employee is vulnerable."

More Mergers

As the Delta-Northwest merger unfolded, United and Continental Airlines announced similar intentions. "We cannot look at these mergers in isolation," said Roach. "The United-Continental merger is in response to Delta and Northwest's 2008 merger, and there is already speculation



Detroit Local 141 member Anthony Davis volunteers to help with calling Delta-Northwest employees about the benefits of union representation. Contrary to claims by Delta, "The response has been great," says Davis.



AP/World Wide Photo

More iconic carriers like Northwest Airlines will be swallowed up into a few mega-carriers if the pressure for consolidation sparked by the Delta-Northwest merger spreads through the industry.

about US Airways looking for another merger partner. We agree with James Oberstar, Chairman of the House Committee on Transportation and Infrastructure, when he wrote that ‘This merger will move the country far down the path of an airline system dominated by three mega-carriers... If United and Continental merge, another domino in a chain of mergers will fall, and there will be strong pressure for further consolidation.’”

Airline employees need a strong voice more than ever. In the absence of a legally binding contract that protects wages, benefits and pensions, airlines have demonstrated repeatedly they will sacrifice front-line workers in the battle to cut ticket prices and reduce operating costs.

“It is clear that airline deregulation has failed to deliver on its promises of a stable and profitable industry, and staying the course will continue the industry’s downward spiral,” said Roach. “Airline bankruptcies will continue, more proud airlines

will disappear, employees will continue to suffer and passengers will receive less service.”

Difficult Process

Merging airlines is much more difficult than painting planes and combining websites. American Airlines’ 2001 acquisition of TWA’s assets resulted in tremendous job loss, employee integration problems and the closing of a hub in St. Louis.

The America West-US

Airways merger cost the city of Pittsburgh, PA, its hub, and employee integration problems persist nearly five years after the merger. The 2008 Delta-Northwest merger is still far from being completed, and management’s promises to preserve jobs in the merger were quickly broken.

More than 30,000 workers at Delta Air Lines will soon have an opportunity to vote in what may be the most crucial point in modern airline history.

Their decision will be a true choice: To speak up and demand a say in their fate, or forever remain silenced.



Bill Burke, Page One Photography

The IAM has waged a relentless campaign on Capitol Hill to protect airline workers in mergers and bankruptcies. IAM Transportation General Vice President Robert Roach, Jr., right, testifies before the Senate Commerce Committee about the United-Continental merger proposal’s impact on employees, consumers and communities. At the same hearing was Continental CEO Jeffery Smisek, center, and United CEO Glenn Tilton.

Showdown Over Space Program



IAM President Tom Buffenbarger called for a strong U.S. manned space flight program at the IAM's "Save Our Space Program, Save Our Jobs" rally in Houston, TX.

rockets to the International Space Station (ISS).

"Just like we've given away our nation's manufacturing capability, we are about to surrender our leadership in space to Russia, China and India," said IAM President Tom Buffenbarger. "The manned space program in the United States has been the pride of the nation and the envy of the world for more than 50 years. It has more than earned our continued support."

Bipartisan Support

Congress approved the Constellation program in 2005 to ensure America had a manned space program in development when the shuttle program ends. Though underfunded by the Bush administration, NASA has invested more than \$9 billion in Constellation's mission to get astronauts to the ISS, return astronauts to the

Hundreds of IAM and community members rally in Houston, TX, to support the U.S. manned space flight program.

moon and later to Mars.

The Constellation projects include the Ares I rocket and Orion space capsule to ferry astronauts to the ISS and the Ares V, a heavy-lift rocket, to launch equipment for trips to the moon and Mars. The Constellation program is key to preserving the skills and experience of the thousands of workers who have been the backbone of America's space program.

"Two years ago we were told we were going to keep America's manned space program going," said IAM Southern Territory General Vice President Robert Martinez, Jr., at the IAM's "Save Our Space Program" rally in Houston, TX. "This administration's decision to cancel Constellation clearly leads us in the wrong direction."

From John Glenn's historic orbit of the Earth to Neil Armstrong's first step on the moon, America's manned space flight program has been a potent symbol of the nation's manufacturing know-how and engineering innovation.

With the space shuttle program set for retirement in late 2010, America is about to abdicate its place as a leader in manned space flight. The Obama administration has proposed ending Constellation, the manned space flight program that was supposed to replace the shuttle, and pay the Russians \$56 million per seat for U.S. astronauts to hitchhike on their





Shuttle Atlantis lifts off for its last mission. Unless the shuttle program is extended, flights will end in November 2010 and will leave NASA without the capability to send astronauts into space for the first time in its history.

AP/World Wide Photo

The Obama administration shocked the NASA community this spring by proposing to scrap most of the Constellation program, turn over more of the responsibility for manned space flight to private industry and shift much of NASA's mission to developing new technology and deep space exploration. The proposal, outlined in Obama's 2011 budget request, puts thousands of IAM members' jobs at the Johnson Space Center in Texas, the Kennedy Space Center in Florida and other locations at risk.

Maintaining NASA's primary role in human space flight has considerable bipartisan support in Congress, and Obama's proposal has met some stiff resistance. The Machinists Union has been

In testimony before Congress, Neil Armstrong, left, the first person to walk on the moon, and Eugene Cernan, the last astronaut to walk on the moon, called the dismantling of U.S. manned space flight program "devastating."

leading the fight to save jobs by extending the shuttle program to 2012, preserving parts of the manned space program and fighting for programs to minimize job losses.

Jobs Lost

"We stand to lose almost 8,000 of the 14,000 people working on the space shuttle at the Kennedy Space Center," said IAM District Lodge 166 Directing Business Representative Johnny Walker. "When you add in the people at the Johnson Space Center, other NASA facilities and the jobs at more

than 3,000 contractors across the nation who supply the shuttle program, this is a national issue."

"If NASA and the Obama administration have their way, American astronauts will be hitchhiking up to the International Space Station," said Buffenbarger. "Our government is aiding and abetting the outsourcing of the best jobs in America to Russia, China, India, Brazil and everywhere else. It's time to let NASA, the White House and Congress know that we must preserve America's Space Program."



Photo by Alex Wong / Getty Images

Jobless Voters Set to Play Key Role in Midterm Races

Midterm elections are usually a time for most voters to catch a nap between presidential races and for hard-core Republican and Democratic supporters to decide the outcome.

The 2010 midterm elections, however, won't follow the normal pattern as the crosscurrents of Tea Party deficit zealots and the anger of 31 million unemployed and underemployed Americans who want JOBS Now! roil the political landscape.

Those competing currents

retired Democratic Senator Arlen Specter in Pennsylvania, replaced GOP incumbents with Tea Party favorites in several primary races and landed an unemployed veteran as the Democratic nominee for the U.S. Senate in South Carolina.

What's at Stake

Up for grabs this election cycle are all the seats in the U.S. House of Representatives, 36 Senate seats and 37 governors' mansions. Democrats took control of Congress in 2006 and then solidified their

majorities in the House and Senate in 2008. Although the Democratic Congress has made significant gains in helping America's working families, momentum is shifting against them. In the name of deficit reduction, Republicans and conservative Democrats are blocking efforts to create jobs.

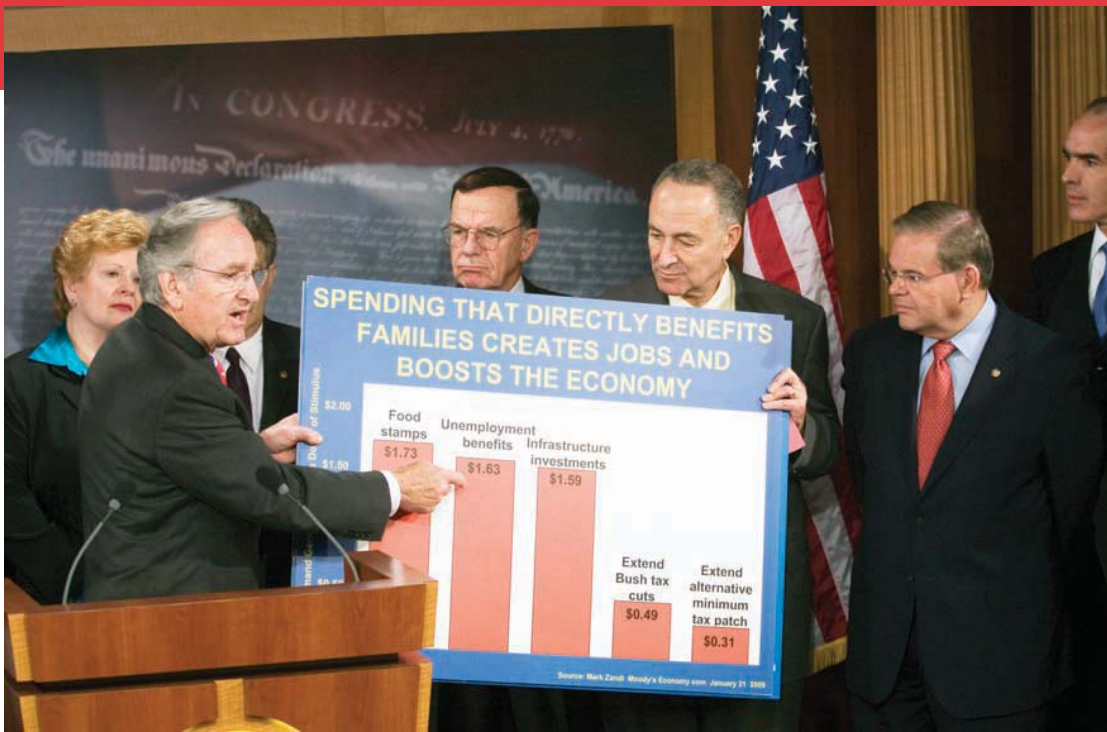
Cutting back on income support programs like unemployment insurance, food stamps and COBRA subsidies and failing to fund money for cash-strapped states is the wrong move for an economy struggling to recover from the brink of a depression. Even one of Senator John McCain's former economic advisors, Mark Zandi of Moody's Economy.com, gets it.

"Increased income support has been a part of the federal response to most recessions, and for good reason: It is the most efficient way to prime the economy's pump," says Zandi. "Simulations ... show that every dollar spent on unemployment insurance benefits generates an estimated \$1.63 in near term Gross Domestic Product (GDP). Boosting food stamp payments by \$1 increases GDP by \$1.73." The increase in GDP translates into more jobs as people spend the income.



AP/Wide World Photo

There are still more than five job seekers for every job opening, such as at this job fair in Los Angeles. Without aggressive federal programs to spur job creation and help for America's long-term unemployed, American families could suffer for years into the future.



Senator Tom Harkin (D-IA) points to economic studies that show federal spending on unemployment insurance, food stamps and infrastructure projects are the most effective ways to stimulate the economy.

Going Backwards

But economic stimulus opponents are moving Congress in the wrong direction. As the *IAM Journal* went to press, the conservative deficit hawks were holding up attempts to extend unemployment benefits to the end of the year, blocking \$24 billion in state aid to keep local teachers, firefighters and police on the job and ending the subsidy to help laid-off workers continue their medical coverage under COBRA.

“Instead of throwing a life-line to unemployed families who are sinking into poverty, conservative members of Congress tied an anchor around

More than 31 million Americans are either unemployed or underemployed and the number of Americans suffering long-term unemployment is reaching levels rivaling the Great Depression.

their feet in the name of deficit reduction,” said IAM President Tom Buffenbarger. “They are ignoring hard lessons from the Great Depression. After massive federal spending on jobs programs had significantly cut the unemployment rate from its high of almost 25 percent, that era’s deficit hawks forced President Roosevelt to cut federal



spending in 1937. The recovery faltered, and unemployment was back up to 19 percent by 1938.”

UCubed Voters

Even though the Tea Party movement has grabbed media attention, the nation’s unemployed are becoming a vocal political force. In early 2010, the IAM

launched “Ur Union of Unemployed,” or UCubed, as a way to bring together America’s unemployed to share resources and focus their efforts on creating jobs.

UCubed jobs activists have sent more than 27,000 messages to legislators at the state and federal level urging them to take action to create JOBS Now! A UCubed advertisement, “Our Turn,” ran in Pennsylvania and South Carolina. Increased voter turnout stirred the politics of both states.

“In low-turnout election years, motivated voters can make the difference in close races,” said UCubed Acting Executive Director Rick Sloan. “UCubed members are motivated because they need a job now. They are at the end of their economic rope. America’s unemployed will go vote for candidates who will create jobs and retire those who won’t.”

For information on UCubed, go to unionofunemployed.com.

TCU Clerks and Carmen Ratify Agreement with Amtrak



A friendlier Congress and a new president resulted in record investments in high-speed rail and a new spirit in collective bargaining that allowed TCU-represented workers at Amtrak to win a new agreement in just four months.

TCU Clerks and Carmen have ratified a five-year contract with Amtrak covering wages, health and welfare, and rules for the period January 1, 2010 through January 1, 2015.

The contract provides annual general wage increases totaling 15 percent over five years on a compounded basis. The contract also limits increases in employee health insurance contributions by putting in fixed-dollar caps.

In the last round, a Presidential Emergency Board recommended adoption of the national freight formula

for employee contributions: 15 percent of plan costs. The new Amtrak contract puts in fixed-dollar amount limits, even if the 15 percent formula would otherwise result in higher contributions.

Most significantly, the agreement freezes health insurance deductibles and co-pays, including for prescription drugs, at current levels for the next five years. The only exception is emergency room visits that do not result in hospitalization.

The contract also contains a “me-too” clause, providing that if any other union subse-

quently negotiates superior terms, those terms would apply to Carmen and Clerks.

New Era

The previous bargaining round was the darkest in Amtrak’s history. Because of Amtrak’s insistence on no back pay and its non-negotiable demands for sweeping work-rule concessions, most unions suffered for eight years without a contract. Even then, it took a Presidential Emergency Board to make an agreement possible.

In this round, TCU and other unions were determined that history not repeat itself. Amtrak has new leadership, a friend in the White House and majority congressional support. TCU President Bob Scardelletti approached Amtrak’s President Joe Boardman and urged that the wounds of the last contract be put behind them and that Amtrak workers deserved quick and fair treatment. And so, negotiations were launched.

The result: This time, there will not even be a six-month wait for a new contract, let alone eight years. TCU and other unions reached a contract in record time, after four months of bargaining.

The compounded wage

Amtrak Reservations Clerks at Union Station in Washington D.C., pictured at right, and workers at the Amtrak Operations Center in Wilmington, DE, below, are among the thousands of TCU-represented workers who will benefit from a new agreement at Amtrak.

increases of 15 percent stand up to any contract now being reached in the United States. The contract delivers real economic security during the worst economic downturn since the Great Depression. After deducting health insurance contributions, the contract generates excellent net take-home gains.

Holding the Line

Holding the line on the 15 percent health insurance contributions formula is another major achievement. In addition, with the newly-negotiated dollar caps, employees have the



Bill Burke, Page One Photography

certainty that monthly contributions cannot exceed certain amounts, which was not true in the past. But contributions can be lower, depending on actual plan cost.

Freezing co-pays and deductibles, including prescription drug co-pays, for the next five years is also a tremendous achievement in an environment where cost shifting to employees is a growing trend in major insurance plans.

There was a window of opportunity to make this deal.

It may not be there after November, if political support for Amtrak changes in Congress. Republicans may pick up enough seats in the November elections to regain control of the House of Representatives. If that occurs, we can expect a return to battles over Amtrak funding, with little sympathy for Amtrak workers.

If Republicans regain control of the House, the Congressman who would become Chairman of the

Committee with jurisdiction over Amtrak is the major advocate of eliminating Amtrak food service and contracting out Amtrak service to private operators.

Amtrak workers understood that the current environment that made this contract possible might not last and it would be a mistake to be negotiating at a time when Congress would be pushing Amtrak to cut costs dramatically.

The Clerical contract covers 3,610 clerical employees. The Carmen contract covers 1,862 members of the Joint Council of Carmen, which consists of TCU and TWU Amtrak Carmen.

As the *IAM Journal* went to press, on-board service workers represented by TCU, TWU and HERE in the Amtrak Service Workers Council were also voting on a contract with identical economic and health insurance terms.

TCU President Bob Scardelletti described the agreement in no uncertain terms: "The best contract in the country – Bar None!"



Bill Burke, Page One Photography

IAM Scholarship Winners 2



Marissa A. Brockhoff
 Parent: Chris Brockhoff
 LL 754 – Jamaica, L.I. NY
 Voc-tech College: Fashion Institute of
 Technology
 New York City, NY
 Major: Illustration



Jaime R. Bromley
 Parent: Patrick M. Bromley
 LL 1968 – Erie, PA
 College: University of Pittsburgh
 Pittsburgh, PA
 Major: Biological Science



Cassey E. Camire
 Parent: Robert D. Camire
 LL 1746A – Southington, CT
 College: University of Connecticut or
 University of Pennsylvania
 Storrs, CT or Philadelphia, PA
 Major: Chemistry



Stephen E. Dawson
 IAM MEMBER – LL 510
 Milwaukee, WI
 College: National Labor College
 Silver Spring, MD
 Major: Political Economy and Labor History



Brian K. Gore
 Parent: Brian Gore
 LL 70 – Fort Wayne, IN
 College: Rose Hulman or Notre Dame
 Terre Haute, IN or Notre Dame, IN
 Major: Electrical Engineering



Nathan Scott Hagar
 Parent: Terry Hagar
 LL 1713 – Tomahawk, WI
 College: University of Wisconsin – Madison
 Madison, WI
 Major: Undecided



Laura E. Hammel
 Parent: Jason E. Hammel
 LL 1639 – Altoona, PA
 College: Carnegie Mellon University
 Pittsburgh, PA
 Major: Astrophysics



Nicholas F. Hammes
 Parent: Dennis F. Hammes
 LL 112 – St. Paul, MN
 College: University of Minnesota – Twin Cities
 Minneapolis, MN
 Major: Computer Science/Business



Kimberly R. Krushen
 Parent: Richard Krushen
 LL 692 – Vancouver, British Columbia, Canada
 College: Okanagan College
 Kelowna, British Columbia, Canada



Abbie G. Little
 Parent: Richard B. Little
 LL 1362 – Crossett, AR
 College: University of Arkansas
 Fayetteville, AR
 Major: Chemical Engineering
 ROMAN MAYFIELD WINNER



Evan L. Morse
 Parent: Teresa A. Morse
 LL S6 – Bath, ME
 Voc-tech College: Universal Technical Center
 Norwood, MA
 Major: Automotive



Kari Nelson Paustian
 Parent: Mary E. Nelson
 LL FL251 – Sitka, AK
 College: Whitman College
 Walla Walla, WA
 Major: Political Science and/or
 Environmental Studies



Stephen J. Pettey
 IAM MEMBER – LL 2777 – Milton, FL
 College: Aviation College at Mobile –
 Enterprise State Junior College
 Mobile, AL
 Major: Aviation Maintenance Technology



Emily J. Pugh
 Parent: David B. Pugh
 LL 660 – East Alton, IL
 College: Lindenwood University
 Belleville, IL
 Major: Criminal Justice



Juliana Prieto
 Parent: Ruben Prieto
 LL 2152 – South Bay, FL
 College: University of Miami
 Coral Gables, FL
 Major: Nursing



Edward D. Smith
 IAM MEMBER – LL 698 – Detroit, MI
 College: Wayne County Community College
 Detroit, MI
 Major: Business Administration



Laurel A. Stothers
 Parent: Chris Stothers
 LL 1857 – Vancouver, British Columbia, Canada
 College: McGill University
 Montreal, Quebec, Canada
 Major: Science



Jesse V. Truong
 Parent: Thuy N. Van
 LL 311 – Bell, CA
 College: New York University
 New York, NY
 Major: Computer Science



Katie P. Truong
Parent: Hung Q. Truong
LL 86 – Spokane, WA
College: University of Washington
Seattle, WA
Major: Chemistry

Honorable Mentions

Joy Xiang
Parent: Shan Xiang
LL 264 – Boston, MA

Ryan M. Martinez
Parent: Lenora M. Martinez
LL 1782 – San Francisco, CA

Laura E. deBoer
Parent: Robert deBoer
LL 692 – Vancouver, BC CANADA

Connor S. Balistreri
Parent: Andrew J. Balistreri
LL 1377 – Waukesha, WI

Zachary C. Lum
Parent: Arthur Lum
LL 751A – Seattle, WA

Caleb A. Brown
Parent: James A. Brown
LL S6 – Bath, ME

Abby N. Barber
Parent: Robert D. Barber
LL 67 – Dublin, VA

Daniel M. Duncan
Parent: Jeffrey M. Duncan
LL W130 – Raymond, WA

2011 SCHOLARSHIP COMPETITION GUIDELINES

The scholarship competition is open each year to IAM members and their children throughout the United States and Canada.

Scholarships for a Bachelor's degree or a two-year vocational/technical certification are determined in a competition among eligible applicants that is judged by an independent Selection Committee.

Awards to Members are \$2,000 per academic year. They are granted for a specific period from one to four years leading to a Bachelor's degree or a two-year vocational/technical certification.

Awards to Children of Members are: College - \$1,000 per academic year. All awards are renewed each year until a Bachelor's degree is obtained or for a

maximum of four years, whichever occurs first. Vocational/Technical School - \$2,000 per year until certification is reached or for a maximum of two years, whichever occurs first.

For complete 2011 Scholarship Competition Guidelines, visit www.goiam.org/iamscholarship

Request for IAM Scholarship Application Packet

Please send me an Application Packet for the 2011 IAM Scholarship Competition. I understand that this request is not an application, and that the completed Application Packet must be postmarked no later than February 25, 2011.

REMINDER: Please check the appropriate box below and the requested application will be mailed to you. As an IAM member who will have two years' continuous membership in the IAM as of February 25, 2011, I am requesting an Application Packet for:

- Child of a Member requesting a College Scholarship
- Child of a Member requesting a Vocational/Technical Scholarship
- IAM Member requesting a College or Vocational/Technical Scholarship

IMPORTANT: Complete this coupon and enclose a self-addressed LABEL for reply. (Do not send self-addressed envelope.)

Mail to: IAM Scholarship Program • 9000 Machinists Place, Room 117 • Upper Marlboro, MD 20772-2687

If you do not qualify under the above requirements, please do not send in this coupon.

Machinists Weigh United-Continental Merger

IAM Transportation Vice President Robert Roach, Jr., voiced the concerns of many Americans when he asked the House Committee on Transportation and Infrastructure: "Does anyone really believe that having only a few major airlines in operation, each with immense market control and offering consumers fewer choices, will benefit the country? If one of these mega-carriers should fail, how would that impact the country?"

The Committee's hearing was in response to the announce-

ment that United Airlines and Continental Airlines hoped to merge by year's end, a move that would create the world's largest carrier and give majority control of the industry to a handful of airline executives.

More Consolidation

"We cannot look at the United-Continental transaction in isolation," said Roach, in testimony before the House Transportation Committee. "As the Delta-Northwest merger moves toward its completion, the United-Continental merger

takes center stage. Waiting in the wings is a possible third merger, perhaps between US Airways and American Airlines, each a product of consolidation with America West and TWA, respectively."

The result of such a highly-consolidated industry is uncertain at best. Experience suggests that carriers use mergers as an opportunity to reduce manpower, cut routes and eliminate union representation, all without reducing the overcapacity that is used as a justification for mergers in the first place.

"The IAM has serious concerns, not only about the viability of a combined United-Continental carrier, but also for the long-term sustainability of each carrier independently," said Roach. "Our concern is for the entire industry, and we do not believe mergers alone provide the answers.

"Congress has spent a considerable amount of time debating the issue of entities that are too big to be allowed to fail. Our concern is we may be creating airlines that are too big to succeed," declared Roach.

The merger of Delta and Northwest has sparked a new round of airline consolidation. United and Continental announced plans to merge and other airlines are considering similar moves.



Photo by Matthew Staver/Bloomberg via Getty Images



Bill Burke, Page One Photography

General Vice President Robert Roach, Jr., testified in support of fairer elections for transportation workers at a National Mediation Board hearing. More than 22,000 IAM members also submitted cards expressing their support for the new rules.

NMB Vote Rule Poised to Take Effect

After years of being hobbled by the Bush administration, the National Mediation Board (NMB) is moving with refreshing speed to give more than 500,000 workers in the air and rail industry the same voting

rights enjoyed by workers in every other industry.

Under the new rule, which could have a major impact in upcoming representation elections, air and rail workers can vote for or against union repre-

sentation. The NMB will no longer assign a “no” vote to any worker who does not cast a ballot.

“Thousands of Machinists Union members and hundreds of members of Congress told the NMB that it was time to end its 75-year practice of imposing a viewpoint on people who, either by choice or by chance, do not participate in representation elections,” said General Vice President Robert Roach, Jr. “We welcome the rule change and look forward to its implementation.”

As the *IAM Journal* went to press, the new rule was set to take effect on June 30, 2010. That date may have changed, however, pending the outcome of a lawsuit filed by the Air Transport Association to block the new rule.

Rail Machinists Build Virtual Locomotive Simulator

Today’s video games may be masterpieces of cutting-edge technology, but they don’t hold a digital candle to the sights and sounds of the locomotive simulator built by IAM Local 123 members at VMV Paducah in KY.

With enough bells and whistles to make a die-hard gamer green with envy, the simulator contains four 55-inch monitors capable of displaying simulated exterior panoramas, a bank of

high-definition cameras that can record operator eye movements and interior controls identical to the cab of an EMD SD-70 locomotive.

“This 100 percent union-built simulator is just one example of the kinds of products made by our rail members,” said District 19 President Joe Duncan. “The training potential of these simulators is truly remarkable.”



Company representatives and Local 123 members in Paducah, KY, who build high-tech locomotive simulators. From left, front row, Richard Sawyers, Ed Paxton, VMV Project Manager Earl Wurth and Mike Johnson. From left, back row, Darrell Skinner, Jimmie Lindsey, Brad McGowan, Glen Noland, Kelvin Jeffords and Alion Corporation’s Melvin Jones.

Boeing's 'Cash Cow' Strategy Revealed



Bloomberg via Getty Images

Boeing executives stage a groundbreaking ceremony in North Charleston, SC, after Boeing extracted \$900 million in concessions from South Carolina to locate a second 787 production line there.

While Boeing battles charges that its move to South Carolina was an illegal act of retaliation for lawful, protected activity by IAM members, details continue to emerge about the strategy behind Boeing's decision to locate a 787 assembly line there.

In a presentation to corporate lobbyists gathered in Savannah, GA, for an annual conference in 2004, a former Boeing Vice President described how corporations could force state and local officials to provide massive incentives in exchange for a decision to locate a new operation

or expand an existing one in their state.

Money Pit to Cash Cow

Titled "Turn Your State Government Relations Department from a Money Pit to a Cash Cow," the presentation, which was acquired by a North Carolina newspaper, now serves as a preview of techniques used by Boeing to extract more than \$900 million in incentives from South Carolina lawmakers.

Among the incentives lobbyists were encouraged to demand were free and discounted land, infrastructure grants, long-term sales tax exemptions and income tax

credits. Additional incentives included wage rebates, employee training, utility assistance, permit waivers and low-cost loans.

Heavy-Handed Agenda

Shortly before the conference in Savannah, Boeing demonstrated how well the technique could work by staging what it called a "national competition" to determine the location of the initial 787 assembly line. The result? Incentives for Boeing worth \$3.2 billion harvested from the state of Washington in exchange for a commitment from Boeing to build the 787 plant in the Puget Sound area.

Another report by the Institute for Wisconsin's Future, a public policy group that investigated Boeing's practices, found that: "The Boeing model uses sophisticated marketing, heavy-handed relationships with key decision makers and fear of job loss to enforce its agenda.

"Boeing relentlessly milks revenue from state and local governments while forcing large public spending on infrastructure. It holds down employee wages, further minimizing local tax revenue, at a time when governments at all levels are in desperate financial condition," according to the report.



Members of Local 86 cast ballots to ratify a new contract with Triumph Composite Systems in Spokane, WA.

Undaunted by the worst recession in decades, the 335 members of Local 86 who work at Triumph Composite Systems in Spokane, WA, overcame all obstacles and ratified an agreement that guarantees 40 hours

New Triumph Contract Includes Job Security

employment per week for the life of the agreement.

The three-year contract also addresses outsourcing with language to protect employees from work transfers to Mexico, or any other Triumph facility. IAM members build and assemble floor panels, ducts and flight deck interiors and components for all Boeing aircraft and after-market floor panels for Airbus planes.

“In this environment, the job

guarantee language is unprecedented,” said Aerospace Coordinator Mark Blondin. “The Local 86 Bargaining Committee secured gains in job security, \$8,300 in lump-sum payments, increased pension amounts and COLA. We also held the line on health care and got language to protect the employee’s portion from rampant inflation. Local 86 members can be rightfully proud of what they accomplished.”

Spirit Negotiations Seek Benchmark Agreement

As the *IAM Journal* went to press, the clock was ticking down to a June 25 contract expiration date at Spirit AeroSystems in Wichita, KS. The Local 839 Bargaining Committee had just reached a tentative agreement on a new contract proposal that

could become the benchmark for the aerospace industry.

No strangers to the changes that have rocked the aerospace industry, many Local 839 members were Boeing Company employees before the division was sold to Onex Corporation,

which then formed Spirit AeroSystems. After riding a wave of success, Spirit’s fortunes tumbled after the economic collapse.

“We have an opportunity and an obligation to protect our members’ jobs in ways that the traditional bargaining relationships simply couldn’t provide,” said International President Tom Buffenbarger.

Among the proposals under consideration is contract language that would provide job security in a long-term contract that assures the company of uninterrupted production.

“We’ve embarked on a whole new model of labor negotiation,” said Aerospace Coordinator Ron Eldridge, “one that gives the company flexibility to meet changing conditions while ensuring our members are true partners and can share in the company’s success.”



The Local 839 Bargaining Committee prepared for Spirit negotiations at the IAM’s Winpisinger Education Center. Front row, from left: Local 839 President Kathy Petersen, In-plant Rep. David Eagle, District 70 DBR Steve Rooney and BR Becky Ledbetter. Middle row: In-plant Rep. Howard Johnson, Headquarters GVP Rich Michalski, IP Tom Buffenbarger and Local 839 Negotiator Dennis Williams. Back row: IAM General Counsel Chris Corson, GLR Don Barker, Aerospace Coordinator Ron Eldridge and District 70 BR Mike Burleigh.

Recharging the HPWO Partnership at Vance AFB

Less than 12 months after resolving a strike by nearly 900 members of Local 898 at Vance Air Force Base in Enid, OK, both sides returned to the table recently to reaffirm their commitment to a different kind of agreement.

Contractors, union representatives and Air Force officials all agreed to rededicate themselves to the goals of a High Performance Work Organization (HPWO) partnership that was first signed in 2004.

Taking part in the recommitment ceremony was IAM President Tom Buffenbarger, who called the HPWO partnership an opportunity to move beyond the strike and focus on building an environment that works for employees, contractors and the Air Force.

Top Flight

"We're obviously committed to meeting the needs of our members, but we're also committed to making sure Vance AFB remain a top flight training and support center with a reputation for innovation," said Buffenbarger. "The HPWO partnership at Vance is poised to add enlightened labor-management relations to that reputation."

The partnership calls for management and union members to work together at nearly

every level of the operation, from decisions about staffing and scheduling to collaboration over work-flow changes with the potential to lower costs, enhance job security and improve productivity.

IAM members at the base include landscapers, instructors, firefighters and aircraft maintenance personnel.

"At the end of the day, this

partnership is about tapping into the expertise of front-line employees and working in a collaborative environment," said Southern Territory GVP Robert Martinez, Jr., who took part in the recommitment ceremony. "Everyone understands the challenges faced today by domestic military bases. The price of not working together is simply too high to ignore."

Rescue Effort at Vance



Local 898 members Lennit Williams, left, and Mike Morriss are recognized for their efforts, along with other Local 898 members, during a rescue operation at Vance AFB. At far right, Applied Technologies President Alan Weakley.

When a student pilot at Vance Air Force Base ejected from his aircraft during a landing, quick action by Local 898 members prevented a greater tragedy. Lennit Williams, a Flightline Expeditor, called for help and stayed with the pilot until medics arrived. Meanwhile, the propeller-driven aircraft had veered off the runway,

gotten stuck and was throwing up clouds of debris. After two attempts to get on the wing, Flightline Leadman Mike Morriss, managed to reach the cockpit and shut down the engine. Then Mike Jones, Jerod Clark and Arnold Miller of the Egress Shop secured the explosive elements of the aircraft and ejection seat.